

EXHIBIT A

What the reaction to the Patrick Ho case says about China's global ambitions

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Business

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Comments questioning the case brought by the US against Hong Kong's former home affairs secretary are disturbing, says Stephen Vines

The recent arrest in New York of Hong Kong's former home affairs secretary Patrick Ho Chi-ping on bribery charges is spectacular in itself, but the response to the arrest is something else – it is highly disturbing.

Ho and the former foreign minister of Senegal, Cheikh Gadio, are accused of bribing Chad's president and Uganda's foreign minister to the tune of US\$2.9 million on behalf of a subsidiary of the Chinese energy conglomerate CEFC.

All parties involved in these allegations deny the charges and, as the case has yet to come to trial, it is unwise to speculate on its outcome. However the very fact that the charges have been brought has angered a number of people who are stout defenders of the Chinese government.

A commentary in the Hong Kong-based Beijing mouthpiece *Wen Wei Po* said that the arrests "give rise to the question: was the US action genuinely intended to safeguard fairness and justice or merely a move to head off a perceived threat to its hegemony?"

The same line of reasoning is also to be found in a report from Beijing's *Global Times*, which quotes an anonymous CEFC official as saying there were "deep international political motives" behind the case.

Meanwhile an official statement from CEFC said it was "highly concerned" about the arrest, but stressed it had no "commercial relations of authorisation" with the China Energy Fund Committee. This is despite the fact that CEFC is responsible for 100 per cent of the committee's funding; Ho was the fund's secretary general.

Former Hong Kong home secretary Patrick Ho arrested in US over alleged Africa bribery scheme [1]

So far, so confusing, except inasmuch as that the very people who are accusing the US of pursuing this action for political motives have themselves framed their accusations entirely in political terms.

Either by coincidence or intent, the arrests came a day after CEFC and the Russian state oil company Rosneft concluded an oil supply agreement. Ho's defenders are seeking to explain the arrest as an American reaction to warming Sino-Russian trade ties.

The background to all this is indeed political because China has made no secret of its trading ambitions with the launch of the "Belt and Road Initiative", which very much has Russia in its sights. Russia, for its part, is dismayed at the way energy deals previously struck with the West have fallen victim to political considerations and consequently been curtailed or scrapped.

So it is pointless to suggest that politics is somehow absent from this matter. However the US prosecutors in New York have limited their attention to an accusation of bribery and alleged use of the US banking system to facilitate these bribes.

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One thing is sure, if the trial goes ahead it will be held in an open and transparent manner and whether or not its suits the purposes of American global policy, there is no reason to believe that the independent judiciary in the US will consider politics as a factor in their deliberations.

Can the same be said of trials that are held in mainland China? No doubt there will be some stout defenders of the Chinese justice system who will argue that this is so, but they will have a strenuous job coming up with evidence to support their case.

However this is not really the issue at stake, more pressing is the matter of how mainland Chinese entities conduct business and, to be fair, how companies in other nations conduct their affairs. As it happens the energy business has a long history of involvement in murky commerce, intrigue, bribery and worse. It would be accurate to say that on every continent the oil industry, in particular, has been linked to this kind of thing.

However there is a new atmosphere of transparency in the air. Interestingly Ho stressed the need for transparency in an interview with this newspaper in 2015 when he compared the more transparent system in Hong Kong's stock market with a lower level on the mainland.

Of course this issue is not confined to financial markets, and now that China has increasingly bold ambitions as a player on the global economic stage, there is some urgency in asking whether business practices, well known to everyone who has ever done business in China, can any longer be tolerated in an outward looking nation seeking to establish a reputation as a reliable trading and investment partner.

Should Messrs Ho and Gadio emerge from the legal process in the United States without proof of having acted in a corrupt fashion, this particular incident can be set aside. What cannot be ignored is the knee-jerk reaction of Beijing's defenders in questioning a legal process which is quite commonplace in all jurisdictions where rule of law prevails. A mindset like this is hardly conducive to Beijing's global economic ambitions.

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